



DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Notice of OFAC Implementation of Certain Sanctions Imposed on two persons by the Secretary of State Pursuant to the Countering America's Adversaries Through Sanctions Act

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice.

SUMMARY: The Treasury Department's Office of Foreign Assets Control (OFAC) is taking action to implement certain of the sanctions imposed on two persons by the Secretary of State pursuant to the Countering America's Adversaries Through Sanctions Act (Public Law 115-44).

DATES: See Supplementary Information section.

FOR FURTHER INFORMATION CONTACT:

OFAC: Associate Director for Global Targeting, tel.: 202-622-2420; Assistant Director for Licensing, tel.: 202-622-2480; Assistant Director for Regulatory Affairs, tel.: 202-622-4855; Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury's Office of the General Counsel: Office of the Chief Counsel (Foreign Assets Control), tel.: 202-622-2410.

SUPPLEMENTARY INFORMATION:

Electronic Availability

The list of Specially Designated Nationals and Blocked Persons (SDN List) and additional information concerning OFAC sanctions programs are available on OFAC's website (<http://www.treasury.gov/ofac>).

Background: Section 231 of the Countering America's Adversaries Through Sanctions Act requires the Secretary of State, pursuant to authority delegated by the President, to impose or

waive sanctions on persons he determines have knowingly engaged in a significant transaction with a person that is part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation. Pursuant to Executive Order 13849 of September 20, 2018, “Authorizing the Implementation of Certain Sanctions Set Forth in the Countering America’s Adversaries Through Sanctions Act” (the “Order”), the Secretary of the Treasury is responsible for implementing certain of the sanctions imposed set forth in Section 235 of CAATSA when those sanctions are selected for imposition by the President, Secretary of State, or the Secretary of the Treasury. The Secretary of the Treasury is responsible for implementing the following sanctions under CAATSA: (i) prohibiting any United States financial institution from making loans or providing credits to the sanctioned person totaling more than \$10,000,000 in any 12-month period, unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities; (ii) prohibiting any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest; (iii) prohibiting any transfers of credit or payments between financial institutions, or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person; (iv) blocking all property and interests in property of the sanctioned person that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of any United States person, and providing that such property and interests in property may not be transferred, paid, exported, withdrawn, or otherwise dealt in; (v) prohibiting any United States person from investing in or purchasing significant amounts of equity or debt instruments of the sanctioned person; or (vi) imposing on the principal executive officer or officers of the sanctioned person, or on persons performing

similar functions and with similar authorities as such officer or officers, the sanctions described in (i)–(v).

The Secretary of State has imposed CAATSA sanctions on two persons. This action, published today in the Federal Register by the Department of State, provides the names of the persons subject to sanctions, as well as a complete list of the sanctions imposed on each person. Accordingly, the Director of OFAC, acting pursuant to delegated authority, has taken the actions described below to implement those sanctions set forth in Section 235 of CAATSA and the Order with respect to the persons listed below.

Entities

1. EQUIPMENT DEVELOPMENT DEPARTMENT (Chinese Simplified: 装备发展部)
(f.k.a. GENERAL ARMAMENT DEPARTMENT), China; CAATSA Section 235
Information: EXPORT SANCTIONS Sec. 235(a)(2); alt. CAATSA Section 235
Information: FOREIGN EXCHANGE. Sec 235(a)(7); alt. CAATSA Section 235
Information: BANKING TRANSACTIONS. Sec 235(a)(8); alt. CAATSA Section 235
Information: SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS. Sec 235(a)(12);
alt. CAATSA Section 235 Information: BLOCKING PROPERTY AND INTERESTS
IN PROPERTY. Sec 235(a)(9) [CAATSA - RUSSIA].

Individuals

1. LI, Shangfu (Chinese Simplified: 李尚福); DOB 01 Feb 1958 to 28 Feb 1958; POB
Chengdu, Sichuan Province, China; citizen China; Gender Male; CAATSA Section 235
Information: FOREIGN EXCHANGE. Sec 235(a)(7); alt. CAATSA Section 235
Information: BANKING TRANSACTIONS. Sec 235(a)(8); alt. CAATSA Section 235
Information: EXCLUSION OF CORPORATE OFFICERS. Sec 235(a)(11); alt.

CAATSA Section 235 Information: BLOCKING PROPERTY AND INTERESTS IN PROPERTY. Sec 235(a)(9); Director of Equipment Development Department (individual) [CAATSA - RUSSIA] (Linked To: EQUIPMENT DEVELOPMENT DEPARTMENT).

The Director of OFAC has: (a) Blocked all property and interests in property that are in the United States, that come within the United States, or that are or come within the possession or control of any United States person, including any overseas branch, and which may not be transferred, paid, exported, withdrawn, or otherwise dealt in, of Equipment Development Department and Li Shangfu; (b) prohibited any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involved any interest of Equipment Development Department and Li Shangfu; and (c) prohibited any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which Equipment Development Department and Li Shangfu have any interest. These persons have been added to OFAC's List of Specially Designated Nationals and Blocked Persons and include the identifying tag "CAATSA - RUSSIA."

Andrea M. Gacki,
Director,
Office of Foreign Assets Control.

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